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NASA Procedural Requirements

COMPLIANCE IS MANDATORY**NPR 9260.1**Effective Date: September 30,
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30, 2013[Printable Format \(PDF\)](#)[Request Notification of Change](#) (NASA Only)

Subject: Revenue, Unfunded Liabilities and Other Liabilities

Responsible Office: Office of the Chief Financial Officer[| TOC](#) | [Preface](#) | [Chapter1](#) | [Chapter2](#) | [Chapter3](#) | [AppendixA](#) | [AppendixB](#) | [ALL](#) |

Appendix A. Definitions

A.1. Accounts Payable from Canceled Appropriations (SGL Account 2960). When an appropriation account is closed, any remaining balances in the account are required to be cancelled and are not available for obligation or expenditure for any purpose. However, legitimately incurred obligations that have not been paid at the time an appropriation is cancelled should be reinstated to Accounts Payable Canceled and paid out of a current unexpired appropriation that is available for obligation for the same purpose as the closed account.

A.2. Advances from Others (SGL Account 2310). This account is used to record funds received by other Federal and non-Federal entities in contemplation of the future delivery of services, goods or other assets.

A.3. All Advances. All advances, including those under any long-term contract in excess of revenue earned, shall be recorded as unearned revenue. The NASA activities receiving an advance (unearned revenue) shall record the amount received as a liability until payment is earned (goods or services have been delivered or contract terms met). After the payment is earned (performance has occurred), NASA activities shall record the appropriate amount as revenue and reduce the liability accordingly.

A.4. Contingency. Contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to an entity which will ultimately be resolved when one or more future events occur or fail to occur.

A.5. Contingent Liabilities. Contingent Liabilities (USSGL 2920) represents the amount that is recognized as a result of a past event where a future outflow or other sacrifice of resource is probable and measurable.

A.6. Custodial Liability (SGL Account 2980). This account is used to enter the amount of custodial revenue yet to be transferred to another Federal entity.

A.7. EMD Advocate. Headquarters individual or environmental specialist assigned with oversight responsibility for Center environmental cleanup projects.

A.8. Environmental Liability. Environmental Liability should be recognized when there is a probable and measurable future outflow of resources as of the financial reporting date for environmental cleanup costs resulting from past transactions or events.

A.9. Estimated Cleanup Cost Liability. Estimated Cleanup Cost Liability (USSGL 2995) represents the estimated liability for projected future cleanup costs (for which funding has not been appropriated) associated with removing, containing, and/or disposing of (1) contamination or hazardous waste from property, or (2) material and/or property consisting of hazardous waste or other environmentally regulated substances at permanent closure, temporary closure or shutdown of the associated property, plant, and equipment.

A.10. Exchange Revenue. Exchange revenue and gains are inflows of resources to NASA that have been earned. Exchange revenues arise when a Federal entity provides goods and services to the public or to another government entity for a price.

A.11. Expended Appropriations. Appropriations are used in operations when goods and services are received or benefits and grants are provided. Goods and services (including amounts capitalized) are considered provided to NASA when a liability is established.

A.12. Gains. When a transaction with the public or another government entity at a price is unusual or nonrecurring, a gain should be recognized rather than revenue so as to differentiate such transactions. Gains result from the sale, exchange, trade or disposition of government assets (with the exception of inventory). As a general rule, any difference between the sales proceeds in excess of the book value of the assets is recognized as a gain when the asset is sold. This general rule applies to the sale of property, plant and equipment; receivables; investments; and other assets where the selling entity is entitled to retain the proceeds of the sale. In addition, the distinction between revenues and gains is a matter of classification in the general ledger accounts and their presentation in financial statements. Revenues are commonly reported at their gross amount while gains are shown net of related book value.

A.13. Imputed Financing. This amount includes financing of certain costs by one Federal entity on behalf of NASA (e.g., the payment of certain employee benefit costs by the Office of Personnel Management for employees of NASA). Imputed financing shall equal the amount of imputed costs.

A.14. Interest on Treasury Securities held by Trust Funds and Special Funds. The source of balances for some trust funds and special funds may not be predominantly nonexchange revenue. In such exceptional cases, the interest should be classified in the same way as the predominant source of funds, i.e., as exchange revenue.

A.15. Liability on Non-Entity Assets (SGL Account 2985). The amount of non-entity assets held in a General Fund receipt account or other Treasury Account Symbol for transfer to other entities. This account excludes amounts defined in SFFAS No. 7, paragraphs 45 and 49. For amounts collected or to be collected on behalf of the General Fund of the Treasury, that are not on the Statement of Custodial Activity or on a custodial footnote, use Federal Agencies' Centralized Trial-Balance System (FACTS I) attribute domain values Federal "F" and transaction partner "99" This USSGL account is included on the USSGL crosswalk for the Balance Sheet, but it is not included on the USSGL crosswalk for the Statement of Custodial Activity nor on a custodial footnote.

A.16. Liabilities-Not Otherwise Classified (SGL Account 2990). Other liabilities include measurable and probable expected future outflows of resources resulting from past transactions or events, and the estimated costs of conditions, situations, or circumstances that will be resolved in the future. "Other Liabilities" represents amounts not otherwise classified to specific liability accounts in this NPR.

A.17. Liability. Liability is a future outflow or other sacrifice of resources as a result of past transactions or events.

A.18. Liability Recognition. Recognized Liability means the formal recording or incorporating of a liability amount into the financial statements of the Agency. (Source: Federal Accounting Standards Advisory Board (FASAB) Consolidated Glossary).

A.19. Liability Disclosure. Disclosed Liability means the reporting of a liability in the notes that are an integral part of the financial statements. (Source: FASAB Consolidated Glossary).

A.20. Other Unfunded Employment Related Liability (SGL Account 2290). Amounts of unfunded employment related liabilities not covered by the current year's budget authority and not otherwise classified above. The account would include the unfunded liability for unemployment for Federal employees.

A.21. Other Financing Sources. Other financing sources provide inflows of resources that increase results of operations during the reporting period and include appropriations used, transfers of assets from other government agencies, and imputed financing.

A.22. Nonexchange Revenue. Nonexchange revenues include amounts the Federal Government is able to demand or receive due to its sovereign powers.

A.23. Probable. Probable is defined as that which can reasonably be expected or believed to be more likely than not on the basis of available evidence or logic and includes amounts where there is a more than 50 percent chance of payment being made. The probability of a future outflow or other sacrifice of resources is assessed on the basis of current facts and circumstances. These current facts and circumstances include the law that provides general authority for Federal entity operations and specific budget authority to fund programs.

A.24. Reimbursable Activities. NASA provides services to other Federal agencies and to the public on a reimbursable basis. When a non-federal customer enters into a reimbursable agreement with NASA, the customer is required to pay for services in advance unless exempted by law or the requirement for an advance is waived by NASA. Generally, Federal customers are not required to pay for services in advance (see NPD 9090.1 for details on Reimbursable Agreements).

A.25. Reasonably Possible. Reasonably Possible means the chance of the future confirming event or events occurring is more than remote but less than probable.

A.26. **Remote.** Remote means the chance of the future event or events occurring is slight.

A.27. **The Account for Liabilities for Funds Awaiting Final Disposition, Clearing and Undeposited Collections (SGL Account 2400).** This account represents amounts in deposit funds for receipts held in suspense, temporarily for later refund or payment to some other Treasury fund or other entity, or held by the NASA as banker or agent for others for payment at the direction of the owner. The amounts in deposit funds may also represent budget clearing accounts awaiting disposition or reclassification. The liability includes United States (U.S.) currency and coin on hand, cash on deposit at designated depositories, cash in the hands of disbursing officers, cashiers and agents, negotiable instruments on hand, etc. Such funds are not available for paying salaries, grants, or other expenses of the federal government. Sources for entries to this account include requests for cash, cash collection vouchers, deposit tickets, and invoices for transferred funds.

A.28. **Unfunded FECA Liability (SGL Account 2225).** The amount of Federal Employees' Compensation Act (FECA) liability billed to agencies by the Department of Labor for FECA payments made on the agencies' behalves. The funding for the liability will be made from future appropriations.

A.29. **Unfunded Leave (SGL Account 2220).** The amount recorded by an employer agency for unpaid leave earned that the employee is entitled to upon separation and that will be funded from future years' appropriations.

A.30. **Unfunded Liabilities.** These liabilities are related to amounts due for employment but to be paid from future appropriations.

A.31. **Unearned Revenues.** These accounts consist of amounts received in advance for goods and services to be delivered at a future date, liens approved and accepted as claims on assets acquired through default, reimbursable activities for services provided by NASA.

A.32. **Working Capital Fund (WCF) Activities.** The appropriation language for NASA's WCF permits the fund to receive advances for supplies and services. Therefore, the WCF business entities shall be advanced funds identified in the WCF customer orders during the fiscal year, as required, to enable the WCF activity to pay for its costs of operation (see NPR 9095.1 for details on the Working Capital Fund Policy and Requirements).

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